Revenue A 23/15

App F IX 4

Previous References

1930 (Ml)

File No 73-30

Serial Nos 16

Later References

PRESERVED

General and Revenue Secretariat.

Serial Nos one

Part B for November 31

SUBJECT

Enforcement of the guarantee condition by the Municipalities etc in connection with electrification schemes

---

[redacted] Revenue Secretariat MC File No 73 of 193 D

Serial No 16

Letter No E-D 1 1170-B 20-12 from Secretary to Govt Electric Dept - forwarding for needful action copy of Govt minute-B 26-12 3 about the enforcement of the guarantee condition by Municipalities in connection with Electrification schemes

1) In the minute, it is considered necessary to provide for adequate safeguards to ensure the payment of the amounts due towards guarantee for Electrification schemes to Municipalities & other local Bodies and it is suggested that a particular revenue or revenues of the power purchasing local Bodies may be earmarked for the payment of the amount due or that an amount may be deposited by the local Bodies from which the known charges may be met for a period or some other suitable condition has to be enforced to make the

NOTE—Contn Sheet

WD 02503—GPB—50 000—8 7 30

guarantee really operative

When Electric power is proposed to be granted to a Local Body the L-S & Debt is usually considered about the capacity of the Local Body to pay the guaranteed amount and the general finances of the Local Body are examined & the question decided upon both wherever necessary The Local Body is made to appropriate its resources by a particular revenue or revenues of the Local Body have so far been earmarked for the due, as the amount payable is usually large & most of the Local Bodies do not possess any such big revenues as to admit of particular items being so earmarked The same difficulty exists in regard to the Local Body depositing an amount sufficient to pay the electric dues for a period, as the resources of many Local Bodies are only limited & then the payments due from Local Bodies are not made regularly, it is open to Govt to ask the Comptroller to adjust the amounts

Serial No

amendments and of the amendments in Secret Treasuries that the credits of the local Bodies as far as they may be possible The credits or may perhaps be entered in the prescribed guarantee forms but only on receipt of The file Sd/- [illegible]

Pl see Secy 26/1/31

3) Gen Secy) 27/1/31

Pl see speak Rg 30/1/31

8) 1. Before I obey or the points raised in the Dewan's minute dated 26 12 30, I venture to put down one or two objections which occur to me in connection with the draft agreement The agreement appears to me to be all in favour of Govt I do not see why the Electrical Dept shd be exempted from the payment of octroi duty, Cost of Sites[X], Rent of Water taps or buildings These services in the direction to clause 9 which requires that the municipal Council shall guarantee a net return of 5 p c per annum on the total outlay of Capital The outlay includes the cost incurred on installing Electric Street lighting, House lighting and power given for industrial and agricultural purposes It is Quite reasonable to expect the Municipality to guarantee a net return on the Outlay incurred on Street lighting or lighting buildings which are owned by the Municipality But it is not clear how the Municipality can be

[X] The does not make any efforts to assess the cost under this head

NOTE—Contra Sheet

File No | of 193 | General and Revenue Secretariat

Serial No

A

Asked to enter into a Contract for payment of on account of private house lighting and private business installations Doubt if such a Contract would be legal

7) [I may point out incidentally that the amount which in most cases the Municipality will have to guarantee will come from the bulk of the Municipal revenues]

For perusal of remarks on A

Legal Remembrancer Calcutta Comptt.

RG 9/2/31

8) Yes it is a Contract of guaranty & not of payment The Contract would be quite legal

RG 12/2

9) Can only with comptr

10) III rd member of

11) Dacca

RG 13/2/31

12) Do not, the expenses and charges of many local bodies to provide such conveniences without proper examination of their requirements and the means for permanent, they should themselves see that the bills have to be met

(Opinion of legal adviser should be got also before such a step as the Govt to the Municipal Commissioners

RG 13/2/31

246
10 2 31 Govt

14 FEB 1931
4819

NOTE—Contin Sheet

361

File No of 193 | General and Revenue Secretariat

The entire question has of late been carefully examined by Government before a statement of the case of such commitments with the estimate of annual expenditure in respect of the various Municipalities other than Municipal Commissioners of Galle was published in the Gazette and with that purpose. It is necessary however in future not to sanction such extensions unless satisfactory arrangements are made in advance as Galle Port can only for adjustment of charges as they fall due. If it is true that we can take a guarantee bond but the difficulty is to enforce it. If the financial condition of the Municipal Council is not satisfactory I agree with the Principal Civil Medical Officer that the Municipality should not be allowed to claim such easements as Sea Wall Piers &c.

A

4819

(Sd) [illegible]

(Sd) [illegible]

for Principal Civil Medical Officer

Galle

17/1

(Sd) [illegible]

for Principal Civil Medical Officer

Galle

[illegible]

3672

App F III—2]

General and Revenue Secretariat | File No | of 193

Serial No

14) As the [illegible] required by the Member is not available here, the file will be sent to the Secy to Govt Electrical Dept for noting the details

MR 18-2-31 (Gen Secy) VS 19-2-31

VCR RR (19)2(31)

15) Forwarded u o with compliments to the Secy to Govt Electrical Deptt for favour of needful.

By order
V Subrahmanyasastri
for Gen Secy to Govt
19-2-1931

Wore 109 of 29-30 19-2-31

28012 23/2/31

16) With Compliments to the Chief Electrical Engineer.
K R Seshachari
Secretary to Govt
Elecl Deptt

vide E DS 1340 dated 28-2-31 RRR

23/2

Cwo 24/31.

NOTE—Contn Sheet

WD 03-31—40,000—GPB—8-7-0

File No	of 193	General and Revenue Secretariat

(7 L 3692

ELECTRICAL DEPARTMENT

OFFICE OF THE CHIEF ELECTRICAL ENGINEER
TO THF GOVERNMENT OF MYSORE
BANGALORE

Date 10th SeBtr

File No (L — 220 19 x 11/9/31

U O no 66950
1 file

Serial No

17) Returned with compliments to the Secretary, Electrical Department

18) The guarantee conditions are provided in the Agreement Form (attached herewith) under Clauses 10 11, 12 and 13 The principle on which the exemption of taxes were required is one of reducing the "Operation and Maintenance" Expenditur so that the burden on the Municipality for guaranteeing the net revenue may be as low as possible

19) Regarding adequate safeguards, order of Government may kindly be obtained

20) If the Government considers that we are not right in enforcing the exemption of the taxes theymwill be paid and included under "Maintenance Charges" while calculating the net revenue to be realised from the Municipalities

C. M. Campa
Chief Electrical Engineer
to the Govt of Mysore
10 9 31

Ro EDS 354
dated 12 9 31

21) General Secy
to see with complts
SAI 11.9.31

22) 10/9/31 The file would be sent back to the Secretary for kindly putting up the statement showing Government Secretariat, Bngd

GENERAL SECRETARIAT
12 SEP 1931
No

General and Revenue Secretariat

M/ File No. 23 2 6 87 of 1930

OFFICE OF THE CHIEF ELECTRICAL ENGINEER
11 DEC 1930
36460
GOVERNMENT OF MYSORE

(8 3692

App F III [2]

Serial No

23) Third Memo at para 6 Supra (Vide portion marked A)

11.12 16-9-31 24) Gen Secy) VS 17-9-31

25) Jes 18 c. -

26) N.I. & DS 420 dated 2-10-31 24/9/31 VS

Chief Electrical Engineer with Comps

12-0' clock

30-9-31

Secretary to Government Electrical Department

GENERAL SECRETARIAT 17 SEP 1931 No

273 1/10/31

NOTE—Contra Sheet

— 0000—GPB—87 0

GOVERNMENT OF MYSORE

(9)

STATEMENT OF RURAL E

	Place	Amount of Project Estimate	Total Capital cost to end of 1930-31 (Including P.W. works)	Probable cost for the year 1931-32	Gross Revenue for 30-3
	1	2	3	4	5
1	Nanjangud	Rs 1,43,282	1,14,363	5,000	14,180
2	Seringapatam	35,069	29,454	10,000	7,973
3	Mandya	56,990	44,441	10,000	1,770
4	Malavalli	53,560	45,290	4,000	3,141
5	Chennapatna	2,44,800	2 43,309	1,000	13,155
6	Closepet	50,858	44,960	10,000	4,617
7	Tumkur	2,97,885	3,11,350	15,000	22,295
8	Anekal, Attibele & Begur	1 73 514	1,55,972	23,500	875
9	Frenchrocks	20,813	12,621	5 000	
10	Melkote	34,175	17,361	20,000	
11	Kodiayala	14 863	10,383		
12	Kolar	2,13,336	1,91 316	6,000	15 961
13	Bowringpet	87,056	81,073	500	11,967
		14,26 201	13 01,893	1,10,000	95,934

Service started on 6-4-1931

Manage Gon o/c —

PR-KTS-TRG

RIFICATION

Working expenses including Depreciation for 30-31	Probable working expenses for the year 31-32.	Net Revenue for 30-31	Percentage	Amount guaranteed	Difference between net Revenue and Guaranteed Amount	Arrears	Total amount due	Remarks
6	7	8	9	10	11	12	13	
6,234	6,500	7,946	6 95	5,563	2,383		nil	
2,677	3,000	5,296	17 98	1,363	3 933		nil	
1,906	2 500	-136	0 5	1 016	1,152		1,152	
3,816	4,000	-675	-1 49	2,199	2 874	125	2,999	
14,106	14,500	-951	-0 39	8 700	9,651	20 017	29 668	
3,381	3,500	1,236	2 75	2,089	853	1,872	2,725	
16,235	16,500	6,060	1 95	14,685	8 625	6,926	15 551	
482	8,000	393		920	527 *	nil	527	
	1 700	Service started on 27th May 1931						
	1,800							
	1,000							
1,801	12,000	4,160	2 17	5,398	1 238	4,156	5,394	
7,067	7,000	4,900	6 04	No Municipal Guarantee				
57,705	82,000	28,229						

Average Net % - 3 96

E. M. Campe
Chief Electrical Engineer

OFFICE OF THE CHIEF ELECTRICAL ENGINEER
TO THE GOVERNMENT OF MYSORE
BANGALORE

Date 15th Oct, 193

O No 68034
Re Statement

File No

Serial No

27) Returned with compliments, with a statement of the several Rural Electrification Schemes furnishing details of Capital invested and Revenue realised etc , for the information of Government

28) It will be seen from the statement that the Gross Revenue realised from the several Towns works out to an average of 10 70% and the Net Revenue comes to 4% on the total Capital invested to end of 1930-31

CMC-PR-AK.

C. M. Campbell
Chief Electrical Engineer
to the Govt of Mysore
15-X-31

No 492 & 21 10 31

29) Genl Secy to
for info compltd.
Nov 1
22 10 31

GENERAL SECRETARIAT
22 OCT 1931
No

30) Noted with reference to Revenue memo No. B 2612 30 (Plan 0) dt 22-10-31 and the action proposed. Separate action is being taken re the preparation of the amendment clause by Secretariat Officers when Electrification of Local Bodies undertaken, orders are

Revenue Secretariat File No. 73 of 193 -31

Serial No

WANS OFFICE
3663
31 OCT 1931

passed only after due consideration of the finances of the Local Body & its ability to pay the dues. Re-the part of Harbours being carried out whenever possible Re the concessions required by the Electric Deptt, it was stated that the exemptions of taxes were required only for reducing the operation & Maintenance charges to minimise the inelgrola & that if these are withdrawn the maintenance charges will go up & the people have to pay more. In these circumstances it seems undesirable to do away with the exemptions

Mdl 23 10 31) Gen Secy) VS 26 10 31

32) I agree

33) Dewan) Agree 29 10

34) There are rules about payt of Mal taxes by the Elect Dept and they 30/10/31 should apply to these cases also No modification need however be made in regard to agreements now in force.

35) Some one has to offer the required guarantee & otherwise the Elect Dept can not undertake the

W D 02503—G P B—50 000—8 7 30

3692 (12

ML File No 73 — P of 1930 — General and Revenue Secretariat

Note In Cases of this kind it is only the municipality that can give the guarantee and the call will necessarily be in respect of the whole cash outlay whoever may benefit from it —

36) As regards earmarking a source of revenue or enforcing deposit of a certain amount any such condition can only be in regard to new Contracts - It is stated that the finances of Local Bodies applying for Electric Power are examined and Schemes Sanctioned only when they can afford to bear the charge - The instances of inability to pay cost of guarantee show that the examination of the financial capacity of Local Bodies is unsatisfactory & that more care should be taken in sanctioning new Schemes

37) Prompt action should be taken for recovery of arrears due by defaulting Local Bodies ? The case of Chemnapatna is the worst and no delay should be permitted in recovering the amounts due -

Mrs
2/11/31

38) To be noted for action
Issued 3/11

39) Electrical Secty
for issuing Dewans
Orders & Return

40) 2. (as) Take action 11/3
& Demi-Official

3692

General and Revenue Secretariat — File No 73 K of 1930-31 — App I III—2]

Serial No

No EWS 564 dated 7 11 31

GENERAL SECRETARY. 7 NOV 1931 No. 3177

41) Notes & returned with compliments —
S Shankara Ayer
7/11

7 11 31

42) Dy Secy to Govt to General Corpn

43) Reference is invited to this Office letter no. L2920 — Ml 137-30-7 & 16.10.31 addressed to the Dy Commr Bangalore District re the immediate recovery of Rs 29,668 from the Channapatna Municipality on account of the guaranteed amount payable by them for the years 1928-29 to 1930-31

44) Orders of the Dewan in paragraphs 36 to 37 of the above notes have been communicated to the Secy to Govt Electrical Deptt for taking further action If approved, these papers will be recorded in 'B' subdivision for orders.

Gen Secy)

11 11 31

11/11/31

WD 0255 1000—GPB—8 7 (

16/11

MR T V 5/11/31

Flag X in the linked file

GENERAL SECRETARY. 12 NOV 1931 No. 3247

NOTE—Co tn Sl eet

File No | of 19 | General and Revenue Secretariat

Rel 73 30-16

No E D S 1170
Encls 2

ELECTRICAL SECRETARIAT

Dated, Bangalore 28th January 1931

FROM

Rajaseevasaktha
K R SESHACHAR Esq BA BE CE,
Secretary to the Government of Mysore
Electrical Department
Bangalore

3692

To

The General Secretary to Government,

Bangalore

Sir, Subject:- Enforcement of the guarantee condition by the Municipalities etc , in connection with ---- Electrification Schemes

---

I am directed to forward herewith an extract of paragraph 3 of the Dewan's Minute dated the 26th December 1930 on the above --- subject and to request that necessary action may kindly be taken in the matter and the decession of Goverrment in the Local Self Government Department communicated to this office in due course

I have the honour to be,

S i r,

Your most obedient servant,

K R Seshachar

Secretary to Government,
Electrical Department

Dewan's Minute dated the 26th December 1930

The Chief Electrical Engineer states that there is a prescribed form in regard to the guarantee condition I should like to see what this form is It is necessary to provide for adequate safeguards to ensure the enforcement of this condition The earmarking of a particular revenue or revenues of the power purchasing Local Body or the depositing of an adequate sum of money from which the power charges for a period might be met or some other suitable condition has to be imposed to make the guarantee really operative

Intd M N K

26-12-1930

Copy "

Balla Bhima Rao

Assistant Secretary to Government,
Electrical Department

A N

THIS AGREEMENT made the _ _ day of between the Chief Electrical Engineer Mysore Government on behalf of the Govrenment of His Highness the Maharaja of Mysore (hereinafter called the Licensee) of the one part and the T wn M n p l C l Vll g P h y t (hereinafter cal ed the T wn M p l C n l Vll g P h y t of the other part

WITNESSETH THAT in consideration of payments and under takings on the part of the T wn Mu p l C l Vll g P h y t hereinafter mentioned the Licensee agrees

(a) to erect and instal without initial expense to the T wn M p l C l Vll g P n h y t a system of Electric Street Lighting wi hin the area of

(b) to furnish a supply of electric power from the Electric power installation for the purpose of working the said system and also for power

(i) to supply Bungalow Lighting

(ii) to supply power for industrial and agricultural purposes

(c) and also supply power to the said system and to operate the same free of ary extra charge during the period to which this Agreement relates

3 The T wn M n p l C un l Vll g r h y t agrees to pay to the Licensee at Rs 22 8 0 per light per annum from the date of ervice for 40 or 60 watt lamps on the number of street lamps installed from time to time the minimum being light and at Rs 45 per light of 250 C P (Ornamental lamps) per annum payable at Power and lighting office every month within 14 days after presentation of the bill for the preceding month In case the amount due to the Licensee is not paid within the aforesaid period the Licensee shall retain the right to disconnect the service and levy interest on such amount at the rate of 6 per cent per annum for each month or fraction thereof of defau t

4 The T wn M p l Cou l Vll g P n h y t agrees to take all reasonable precautions within their power to prevent injury to the poles insulators, wires and all other plant appertaining to the said electric lighting system upon all Roads and lanes within the Municipal limits of

5 THAT the hours during which the street lighting will be in service shall be from sun set every day to 5 30 A M on the day following

6 THAT no change in the position of lamps once installed and no deviation extension or alteration of any kind in the system of street lighting shall be made and that in the event of any change in the position of individual lamps or deviation or extension referred to above appearing desir able the Licensee shall at the request of the M p l ty Vll g P n h y t carry out the same at the cost of the Mu pal ty Vll g P h y t

7 THAT the licensee will take all reasonable precautions to ensure continuity of service but will not in the event of an interruption from causes beyond the control of the Licensee be liable for any loss due to such interruption

8 The Licensee shall be at liberty to temporarily cut off the supply at any time after having given previous notice of their intention so to do for the purpose of adding to altering or repairing any mains or appa atus etc and in such event also the Licen ee shall not b responisble for any claims or damages in respect of such temporary interruption The Licensee will however endeavour to minimise the period of such interrup tion

9 THE Town Municipal Council shall guarantee a net return of 5 per cent per annum on the total outlay of Capital including outlay on Interior Power and Lighting referred to in clause 1 (b) (i) and (ii) from the date of service

Net return shall mean Gross Return minus outlay incurred on Operation and Maintenance of that station including Transmission and Depreciation charges on Capital outlay at the rates in force

If the amount found due to the Licensee is not paid within the above mentioned period or if there is failure to pay the difference between the above guaranteed net return and the net return actually realised by the Department as per Government accounts within one month from the date of claim the Licensee shall retain the right to disconnect the service and levy interest on such amount at the rate of 6 per cent per annum for each month or part thereof, of default

10 THAT the Town Municipal Council shall exempt the Electrical Department from payment of Octroi duty for the materials of the Electrical Department

11 THAT the Town Municipal Council shall grant a site free of cost for the location of the Station and for quarters for employees of the Department

12 THAT the Town Municipal Council will exempt the buildings of the Electrical Department from payment of mohatarfa tax

13 THAT subject to the provisions of the Mysore Municipal Regu lation VII of 1906 and the rules thereunder this agreement shall remain in force and be binding upon both parties hereto for a term of 10 years from the date on which the street lighting service is started and due notice thereof has been given to the Municipality by the Licensee

IN WITNESS WHEREOF the Licensee as representing the Government has hereto set his hands and seal the day and year first above written and this Agreement has been sealed with the common seal of the Town Municipal Council and signed by the President & Councillors Chairman

of Town Municipal Council / Village Panchayet the day and year first above written

Seal of the Licensee was
affixed in the presence of

Witnesses —

Chief Electrical Engineer
to the Government of Mysore

Seal of the Town Municipal
Council was affixed in the
presence of —

(There being no seal of the
Municipality signed in the
presence o

Witnesses —

1

2

President
Town Municipal Council

Councillor
Town Municipal Council

Councillor
Town Municipal Council

Chairman
Village Panchayet

Bright & C Bagl